

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 18-036

UNITIL ENERGY SYSTEMS, INC.

Petition for Approval of Step Increase

ORDER OF NOTICE

On March 26, 2018, Unitil Energy Systems, Inc. (Unitil) filed a petition for approval of a step increase and other rate adjustments. In its petition, Unitil requests approval of the following:

1. A 2018 step adjustment of \$3,302,989 to reflect the recovery of 2017 capital additions of approximately \$33 million in accordance with the settlement agreement that resolved all issues related to Unitil's 2016 distribution rate case and approved by the Commission in Order No. 26,007 (April 20, 2017);
2. A reduction in revenue of \$2,244,744, in compliance with Commission Order 26,096 (January 3, 2018) to reflect the impact of reductions in federal and state corporate taxes (Tax Acts);
3. An increase in annual payments of \$352,820 in the major storm cost reserve fund (MSCR) for a period of nine years;
4. A removal of \$1,411,065 from the revenue requirement to reflect recoupment of those funds pursuant to Order No. 26, 007;
5. A transfer of \$1,233,742 of expense associated with the October 2017 wind storm from the MSCR to the storm reconciliation adjustment factor (SRAF);

6. A reduction in the SRAF of 14.4 percent after including the October 2017 wind storm costs and ending the recovery of costs associated with Hurricane Sandy; and
7. Acceleration of the annual storm resiliency program (SRP) spending in 2018 through 2020 by \$474,333 and to flow this change through the external delivery charge.

Unitil proposes to use the available funds from reduced corporate taxes to help defray the additional costs associated with the step increase and the proposed increase to the MSCR fund. Based on its calculation, the results will still be an increase to the monthly bills of residential customers using 600 kWh per month of \$0.12 cents, or 0.1 percent. The filing does not contain the impact of the additional spending proposed for the SRP through the external delivery charge.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2018/18-036.html>.

The filing raises, *inter alia*, issues related to whether the requested step increase to the distribution rates is appropriately calculated; whether the October 2017 wind storm qualifies as a major storm eligible for recovery through the SRAF; whether it is appropriate to consider any changes to the MSCR or to the SRP at this time; and whether the resulting rates are just and reasonable as required by RSA 378:5 and RSA 378:7. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, N.H. on April 17, 2018 at 10:00 a.m.; and it is

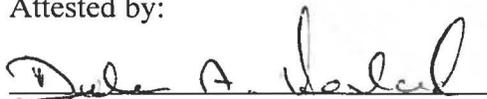
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, the Executive Director shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than on the Commission's website upon its issuance; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Unitil and the Office of the Consumer Advocate on or before April 17, 2018, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before April 7, 2018.

By order of the Public Utilities Commission of New Hampshire this eleventh day of April, 2018.

Attested by:



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**